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ABSTRACT

This paper provides a framework for discussion of the potential for support of small and medium enterprise (SME) development by training and education, particularly in European Union partner countries. Section I is an introduction. Section II reviews the present position of small and medium enterprises in the partner countries and the role they are playing in the transition to the market economy. It also notes the problems experiences by SMEs in this transition process and the problems of those seeking to foster SME development. Section III sets out the key areas where training and education activities may influence SME development. This provides a basic framework for "areas of action" against which problems, opportunities, and present activities can be evaluated. Section IV reviews the present needs and demands for SME development in the training and education field. This demonstrates the present base upon which further action can be built. Section V reviews the adequacy of present supply offer of training and education. Section VI sets out some key areas for "potential action." Section VII makes three recommendations to the European Training Foundation: develop modular programs of self-employment, create programs to develop core entrepreneurial personal skills, and develop and set standards for trainers and educators. (YLB)

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European Training Foundation

KEY ISSUES IN THE DEVELOPMENT OF ENTREPRENEURSHIP AND SMALL BUSINESS TRAINING - THE POTENTIAL FOR ACTION

April 1997

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KEY ISSUES IN THE DEVELOPMENT OF ENTREPRENEURSHIP AND SMALL BUSINESS TRAINING - THE POTENTIAL FOR ACTION

"We must prepare ourselves, and even more importantly, we must prepare our fellow citizens, fortifying them so that this climate of uncertainty does not fuel the sense of insecurity".....

Mme Edith Cresson, European Commissioner for Human Resources, Training and Youth

Address to Conference of Minister from the member states of the European Union and the countries of Central and Eastern Europe and Central Asia. Turin. May 1996

"There can be no doubt that creating a culture of enterprise in young people means orienting them towards self employment ..... it means equipping them to work effectively in SMEs and the culture behind the SMEs working"

The Honourable Luigi Berlinguer, Minister of Public Education and Minister for Universities and for Scientific and Technological Research of Italian Republic

Address to Conference of Ministers, Turin. May 1996

I. INTRODUCTION

1. The overall objective of this paper is to provide a framework for discussion of the action potential for support of Small and Medium Enterprise (SME) Development by training and education particularly in the partner countries of the European Union. The paper will go forward as a discussion document to the European Training Foundation (ETF) Advisory Forum Plenary Meeting in September 1997. The comments of the sub-group meeting of the Advisory Forum in Kazakstan on 13 and 14 March 1997 have been fully incorporated into the paper.

2. To achieve its objective the paper follows a number of stages.

   - First, it reviews the present position of small and medium enterprises, in the partner countries and the role they are playing in the transition to the market economy. It also notes the problems experienced by SMEs in this transition process and also the problems of those who are seeking to foster SME development.

- Second, it sets out broadly the key areas where training and education activities may influence SME development. This provides a basic framework for 'areas of action' against which problems, opportunities and present activities can be evaluated.
- Third, it reviews the present needs and demands for SME development in the training and education field. This demonstrates the present base upon which further action can be built.
- Fourth, it reviews the adequacy of the present supply offer of training and education.
- Fifth, it sets out some key areas for 'potential action'.
- Finally, it makes priority recommendations.

1.3 The paper makes use of several sources of information. A questionnaire (Annex 1) was sent to ETF Advisory Forum members in all partner countries (15 replies were received). Analysis of the points made at the May 1996 Conference of Ministers from Member States of the European Union and the countries of Central and Eastern Europe and Central Asia was undertaken. A special report on five central Asian Republics was commissioned based upon interviews at a workshop in Bishkek, Kyrgystan in February 1997 (Annex 2). Finally a number of reports and studies on support for SME training and development were reviewed (listed in Annex 4).

II. THE PRESENT POSITION AND PROBLEMS OF SMEs IN THE PARTNER COUNTRIES

> "The increasing presence (of small business) paves the way for a new frame of reference; putting performance, self-sufficiency and self management before the caring role of the state"
>
> *Peter Kiss, Minister of Labour, Republic of Hungary*
>
> *Address to Conference of Ministers, Turin. May 1996*

1. SMEs have made a substantial contribution to employment and growth in income in all of the partner countries in the 1990s. This has had a major impact on the structure of industry. In the Central European partner countries the remarkable growth of the micro enterprise sector (under 10 employees) in all of the countries concerned has resulted in a distribution of establishments by employment size moving closer to that of the European Union as a whole. In general 90% or more of all enterprise are now in this micro category. In Russia and the NIS there was a very substantial increase in the number of small firms in the 1990s although in recent years this growth has slowed. In Russia, for example, in 1995 it is believed that the small firm sector actually declined marginally. In general, however, it is very difficult to monitor closely the health of the SME sector over time in the partner countries for a number of reasons. Registration and de-registration data have less meaning than in the European Union as the incidence of 'inactive'

registered business is very high. In Hungary and the Czech Republic for example it is estimated that close to 30% of those on the register are 'inactive'. The informal sector (unregistered businesses) is also substantial and estimated to contribute between 10% and 30% of the Gross Domestic Product in Central European countries. For these, and other reasons, it is extremely difficult to make comparisons of birth and death rates of SMEs between the partner countries.

2. The development of the SME sector still has some way to go in terms of its contribution to output and employment. In most of the partner countries the middle sized sector of the independent owned business is still relatively weak. In general, small and medium firms contribute only between 20% and 40% of employment as opposed to nearer 60% of private business sector employment in the European Union.

3. Overall SMEs face a large number of problems, in particular:

   - Problems of sustainability. Many of the new 'small firms' are of a second job or part time nature and operate within the informal economy.
   - Difficulties in dealing with the regulatory environment: with tax officials, planning regulations, labour and other official codes of practice.
   - Difficulties in locating and obtaining premises with adequate security of tenure.
   - Difficulties in finding finance in the absence of a mature banking system.
   - Difficulties in being paid for services rendered.
   - Difficulties with criminal groups who dominate service sector economies in many city areas.
   - Barriers in general to obtaining a level and fair playing field for conducting their business.
   - Difficulties (in some countries) still relating to the adequacy of economic conditions for example in respect of inflation, lack of demand or in securing supplies.

4. Thus, after the initial impetus, it is scarcely surprising that there has been a slowing down in the growth of numbers of new SMEs and higher rates of termination.

III. THE POTENTIAL ROLE OF TRAINING AND EDUCATION IN SME DEVELOPMENT

> "They must: train young people for a culture of enterprise, prepare them to take risks and accustom them to work for innovation and profit for themselves and their country."
>
> "... to work as part of a team, to provide leadership, to communicate effectively - verbally and otherwise - to negotiate and to make decisions".
>
> *Mr Ivan Iordanov, Minister of Science, Education & Technology of Bulgaria*
>
> *Address to Conference of Ministers, Turin. May 1996*

1. Against the above backcloth, training and education can contribute to the four key areas of SME development as follows:

   - It can help to create a *culture* of enterprise and entrepreneurship in young people in particular via the secondary, vocational and higher education systems.
   - It can improve the volume, effectiveness and efficiency of those *starting small businesses* and increase their chances of *survival* in the early years
   - It can assist both managers and their personnel in *developing the business* successfully and in penetrating domestic and international markets.
   - It can help improve the understanding and competencies of those who constitute *the support and commercial network* for small business practice. The 'support' group is made up of teachers, trainers, counsellors, advisers and consultants and those who organise their activity. The 'commercial,' stakeholder network is made up of bankers, tax officials, regulatory authorities, policy makers, managers of business associations and local enterprise development bodies, local authorities and even buyers and customers dealing directly and indirectly with small and medium enterprises.

2. Experience of 'good practice' in market economies demonstrates that it is possible to develop a variety of training and education approaches in support of each of the above areas.

3. In fostering the appropriate *'culture'* in the education system it is possible to develop programmes within and outside of the school's curriculum at various levels from primary education, upwards. By the development of suitable pedagogies it is possible to stimulate the enterprising skills of young people. It is further possible to develop programmes which provide them with understanding of small business. It is also possible, particularly in the vocational education system, to teach young people how to use their planned vocational skills in self-employment. At the higher education level graduates and under graduates can be stimulated to work with small and medium enterprises, experiment in setting up their own business and indeed act as consultants to small and medium firms. In business schools it is possible to develop MBA and other accredited programmes substantially dedicated to entrepreneurship and small business.

4. A range of programmes can be developed to help in the business *start-up and survival* process. Experience in market economies demonstrates the potential to develop programmes to: 'stimulate' motivation towards entrepreneurship; help would-be entrepreneurs find ideas for business; help individuals appraise their capacities for self employment; take individuals through the whole process of business start-up via a business plan; and assist individuals to anticipate the acute problems to be experienced in the first two or three years when the chances of 'failure' are very high. There is also much experience of adapting start-up and survival programmes to different groups with different needs including: the youth and adult unemployed; women; disadvantaged and ethnic minorities; managers moving out of large companies (spin outs) and technology businesses as well as groups within different industrial sectors.

5. Third, it is possible to develop programmes to help businesses develop. These can be broadly differentiated in terms of their concentration upon: developing the personal skills of the owner manager and his/her team; helping the business cope with problems in the environment (for example, taxation, dealing with banks, etc.); helping the business solve distinct problems of growth (exporting, managing cash flow, coping with new technology); and helping the business to develop adequate functional competencies in marketing, finance, production, etc.

6. Fourth, experience demonstrates that it is possible to develop national standards for the competencies of trainers and counsellors (from both the private and public service sector) and to develop training programmes to enhance their capability to deal with the small and medium enterprises. This process raises the society, can lead to professional accreditation and helps SMEs to choose the quality advisers. In addition it is possible to improve the empathy and skills of those who deal commercially with small business by programmes of 'relationship management' for bankers, accountants, lawyers, regulatory authorities, local government officials and even staff of local development agencies. Also to be included are the buyers or suppliers from large companies who deal with the small business.

7. While there is a wide variety of experience in the market economies in respect of the above strategic 'target' areas for SME education, training and development there is also a well recognised considerable deficiency. Only a fraction of Small and Medium Enterprises in most market economies engage fully in formal training and education processes. Their preferred mode of learning is via experience. Nor

is it universally the case that Small and Medium Enterprise and Entrepreneurship Development is embedded in secondary education, vocational and higher education systems. This underlines the importance of the need to develop this 'market'.

8. The above framework clearly demonstrates the potential of training and education to contribute to SME, and therefore local and national economic and social, development. It is nevertheless important to recognise that action in this respect is not a sufficient standard panacea for the successful development of a market economy. Each country has different needs and priorities in this respect; and it also must be recognised that the effectiveness of SME training and development will be dependent upon the introduction and maintenance of an adequate regulatory and institutional environment. The SME trainer and counsellor will need to integrate closely with this environment.

9. This point is underlined by closer examination of the training and education supply side in market economies. It can be characterised as three distinctive but overlapping, parts:

- The *'referrers'* - those organisations who would have a major interest in referring small and medium enterprises to education and training. In the partner countries these might include: national, regional and local government agencies; business associations and clubs; trade associations; and chambers of commerce, craft or agriculture. In some cases these organisations will seek to regulate the training of young people and even of owner managers (particularly where chamber of commerce membership is legally compulsory).
- The *organisers* of training courses who may include: educational establishments; private sector consultancies; business associations and chambers; large companies (on behalf of their small firm suppliers); professional organisations such as accountants and banks wishing to support their clients; and business advice centres and local and regional enterprise development agencies.
- *Teachers and trainers* operating either as individuals or as representatives of any of the groups identified above.

10. The supply side for training will be 'perfect' when referrers, organisers and teachers/trainers have confidence in each other, work closely together, and cover all aspects of effectiveness in training from needs analysis through to evaluation (see below).

IV. THE SPECIFIC NEEDS AND DEMANDS FOR SME TRAINING AND EDUCATION IN THE PARTNER COUNTRIES

"programmes for vocational education and vocational training per se must be increasingly designed to stimulate, motivate and create entrepreneurial knowledge and

skills"

The Honourable Luigi Berlinguer, Minister of Public Education, Italian Republic. Address to Conference of Ministers, Turin. May 1996

1. It is important that training and education for SMEs is market focused. In relation to the above framework and the problems noted earlier there are a number of distinctive needs and demands arising in the partner countries. These are set out below.

2. Of prime importance are needs arising from the changing nature of the labour market, particularly the position of young people. The widespread emergence of small private sector firms: via the privatisation process; via the spin off from and desegregation of, large firms; and via new individual and collective entrepreneurial initiatives has created a much more flexible and uncertain labour market. There is now an acute need to prepare young people for the likelihood of being unable to rely upon a single straightforward career with one organisation. There is a need to help them cope with uncertainty in rewards and progression over time, and face up to the prospect of mobility between occupations, between departments of companies, between industry sectors, and even between geographical mobility. Young people will need greater personal and entrepreneurial skills to enable them to take initiatives, take bold decisions concerning their future, react positively to uncertainty, solve problems creatively, be flexible in their behaviour, take greater risks, and indeed persuade and negotiate effectively while acting independently. There is also a likelihood that many more young people will face periods of unemployment and will need to use their skills and talents in self employment for which they should be prepared. It is also important, that they should be unafraid to become self employed in a formal and legal manner, and should see small business and entrepreneurship as a positive and desirable aspect of society.

3. There is a major need to legitimise the activities of new small businesses by developing their understanding of how to deal effectively with the bureaucratic environment as well as acquaint them with the business management aspects of the start-up process. This underlines the importance of continued support for programmes to assist the new business and help it survive. Increasingly, given the difficult conditions faced by small business, these programmes need to embody a much greater problem solving focus, for example, helping managers to cope with debtor/creditor problems, problems of cash flow in general, problems of negotiating fair contracts, problems in identifying credit worthy customers, problems of dealing more easily with bureaucracy and problems of security. There is also a need for start-up and survival programmes to be carefully tailored to different 'segments' of the market. There are major opportunities for facilitating the 'spin offs' and 'spin outs' from large companies as part of their restructuring. There are still many opportunities to help the unemployed in their efforts to make a living through self employment. There are distinctive problems faced by different sectors (for example tourism and agriculture) to which programmes need to be carefully tailored. There are needs for special programmes for those with more ambitious business start-up ideas demanding greater resource and carrying

higher risks. More opportunities are arising for support of start-ups on a joint venture basis involving foreign participation.

4. In respect of existing SMEs there are many problems and opportunities. As in all market economies there is a distinct reluctance of owner managers of the companies to become involved in formal training programmes unless these programmes provide solutions to business opportunities and problems. This is particularly the case where the business is of an 'informal' nature. There are as yet a limited number of medium sized companies actively seeking formal education and training. This points to a need for programmes specifically focused upon an industry sector or very carefully targeted upon business problems and business networks. The emphasis is upon provision on a 'need to know', 'know how' and 'know who' basis. Most business in SMEs is being pursued via personal connections and personalised networks and the trainer and educator need to understand these networks to help the SME manager build them up. Training and education providers are therefore challenged, more and more to be 'part of the system'. They need to have close professional and personal linkages with bankers, lawyers, accountants, regulatory authorities and business associations. They must be seen as a normal part of 'doing business'. This is critical if they are to motivate entrepreneurs to take advantage of training. Overall, they will also need to more carefully segment the SME training 'market'.

5. Finally there are needs for programmes for those in the 'network' whose behaviour determines the nature of the 'playing field' for small enterprise development. It is clear, from the feedback on numerous surveys, that the small business in the partner countries generally regards the official climate as hostile. A major target therefore is to improve the legal and commercial circumstances under which small businesses operate. There is a recognised need for bankers, bureaucrats, local officials, and the professions in general to develop greater competency to deal with SMEs. This indeed may be as important as developing the competence of small firm managers and their staff.

V. THE PRESENT SUPPLY OFFER AND ITS SHORTCOMINGS

"instructors to be actively involved in ..... leading their co-workers and students how to think like an entrepreneur"

Mr Wolfgang Lentsch, Director General Federal Ministry of the Economy of Austria

Address to Conference of Ministers, Turin. May 1996

"It is very important that education and training is closely linked with business development and with SME's".

Communique - Conference of the Ministers of the European Union, Central and Eastern Europe and Central Asia. Turin. May 1996.

1. Against this backcloth of problems, needs and demands there has been substantial development of training and education supply offer in the partner countries over the past five years.

2. In most (but not all) of the partner countries there is now a range of regional and local enterprise development centres with the task of providing information to small and medium enterprises, signposting them to sources of assistance and providing counselling, advisory and sometimes training services. Many of these organisations have been set up with Phare and Tacis support or under bilateral agreements. They are frequently established as autonomous entities and foundations representing partnerships between government (at the local and national level), chambers of commerce and business associations and in some cases banks and other commercial service providers.

3. In many partner countries the local and regional offices of the Ministry of Employment or Labour (and its equivalents) are providing advisory and training support to the unemployed designed to help them to pursue self employment. The Labour Offices have therefore become organisers of training.

4. The same role is being played by chambers of commerce, whose power, however, depends upon whether they are given 'public law status' with compulsory membership as (for example in Hungary) or are voluntary (as in the Czech Republic and Russia). Even where their membership is voluntary and therefore relatively small, the chambers of industry, crafts and in some cases agriculture can provide a basis for the organisation of advisory services and training programmes. In some cases this is undertaken in partnership with local enterprise centres. Their work is complemented by programmes run by business associations and other NGOs.

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5. As a result of these 'organiser' efforts a wide range of start up and business management programmes have been created particularly in Central and Eastern Europe and Russia. The public education sector, (both vocational education and higher) seems to play a relatively modest role in this endeavour. Much of the delivery work is sub-contracted to private consultants and small training groups. In the Russian Federation the MOROSOV Project of the European Bank for Reconstruction and Development (with support from a wide range of bilateral donors) is making a major impact, providing a range of training programmes in centres throughout the Federation. The SEED Foundation in Hungary has played a similar (but more innovative) organiser and deliverer role. There are only isolated instances, however, of the business schools and new management centres playing a central role in provision for small and medium enterprises although there are some outstanding examples. GEA College in Slovenia, for example, set up with the support of banks and private enterprise, provides a range of programmes as do one or two of the Regional Management Centres in Poland. In general, however, there are few outstanding education sector models.

6. There have, however, been a number of attempts to duplicate the 'Young Enterprise' and 'Junior Achievement' schools programmes (of Europe and the USA). There have also been some attempts in Poland, Hungary and Slovenia to develop entrepreneurship education and small business employment training within the secondary and vocational education system. It would appear, however, that nowhere is there a comprehensive national programme to embed self employment into the vocational education and training system. Nor is there any major programme at a national level to bring entrepreneurship and small business training into the higher education system although there are isolated cases of individual university development/achievement for example the University of Ljubljana in Slovenia.

7. For existing small and medium enterprises there has emerged a significant supply offer in many partner countries although this appears to be largely of a general business nature rather than particularly tailored for the small and medium enterprise. Programmes seem to be focused upon two main areas namely: coping with the environment (changes in legislation, taxation and other regulations); and conventional short courses on business management. There does not appear to be a substantially developed supply offer relating to small business, business development processes or focused upon particular problems or opportunities. There are no comprehensive major national 'Centres of Excellence', although there does seem in most countries to be a base from which to build. A number of countries have developed substantial training materials in the SME area and there are individual institutions which have experimented, frequently in partnership with Western organisations, in development of bespoke programmes for SMEs.

8. Working successfully with the entrepreneur demands innovative action learning approaches and high levels of teacher skill. Nowhere in the partner countries does there appear to be a comprehensive set of national programmes aimed at developing the all round capability of teachers, trainers and advisers on an on-going basis. Some of the countries can demonstrate experience (with Western support) of training counsellors and advisers and training trainers to deliver programmes. This does not, however, seem to have led to a national capacity to develop their all-round competence, on an ongoing basis, as a means of tackling the high rates of turnover of staff in these positions. Moreover, the capacity for renewal seems to diminish considerably with the distance away from the capital cities or centres of urban concentration. The process of development of initiatives for SME training and counselling development seem, generally to be highly centralised. Nowhere does there seem to be national standards set for training counsellors as a basis for recruitment and development.

9. Finally there remains the issue of sustainability of current efforts. Many of the organisations now managing counselling and training in the partner countries have been set up with foreign support (often combined with elements of national subsidy). This raises the issue of sustainability when foreign support is withdrawn and indeed the question as to whether local public finance will continue to be provided. In most market economies, training programmes for small and medium enterprises, particularly for those at the start up, micro and early growth stages, enjoy various levels of public subsidy on an ongoing basis. It is widely recognised that there will never be a straight forward commercial market in this area (although larger small firms are expected to pay a commercial price). Most Western governments, for example, operate counselling and advisory systems which are free for start up and micro businesses, at least initially, with a subsequent scale of payments relating to size and assumed capacity to pay. Subsidies come from public (national and local government) and private sources.

10. Public subsidy for SME Training is likely to be one of increasing significance over the next few years. Expectations that many training programmes or advisory services will ultimately 'pay for themselves' are misleading and likely to lead only to the services moving 'up market' in search of commercial rates. This in turn brings them directly to competition with private sector providers. The prospect of sustainability of support is closely tied up with the sustainability of many non-governmental and private business associations which, according to the questionnaire returns have yet to play a major role in support of training and advisory services in many countries. If, however, public moneys are to be spent on SME training and education and in support of organisations then there will need to be an improved capacity to undertake thorough and independent evaluation of training and education programmes.

VI. PRIORITY AREAS FOR ACTION

> ..... "our country sees an entirely new approach to creating a vocational training system as indispensable"..... "what is lacking is a real culture of enterprise in the modern sense".
>
> *Akilzhan Abidou, Minister of Labour, Republic of Uzbekisatn*
>
> *Address to Conference of Ministers, Turin. May 1996*

1. It is clear, both from the written documentation and research, from the questionnaire feedback (Annexes 2 and 3) and from the Advisory Group discussion, that there is a broad measure of agreement shared between partner countries as to remaining key areas of need. All of the partner countries rate the importance of developing SME training, education and support extremely highly. Very few could point to outstanding comprehensive national institutions or to ongoing national provision for training trainers and advisers although many have individual institutions that provide good examples of SME training upon which further developments can be based. Most countries, but not all, have networks of business and advice centres to provide a focus for organisation of training. In the majority of countries there is no single organisation with overall responsibility for developing standards or meeting the variety of needs as identified below. In all of the respondent countries no one rated the small business associations as highly active in the field (although several were deemed moderately so): and in the majority of cases associations were rated as marginally or completely inactive in the training and education field. In all of the partner countries there is potential to integrate training and education of SME's with other forms of assistance.

2. Against this backcloth, and in the light of the analysis of the questionnaire findings (Annexes 2 and 3) and the results from other studies undertaken by UNIDO and the British Know How Fund in Central Europe and Russia in particular, the following priority areas emerge.

3. In the *education system* there is a need to ensure that young people are provided with higher levels of economic and social awareness and in particular that:

   - the basic secondary education system reflects the needs of the new flexible labour market conditions in seeking to develop the entrepreneurial skills of young people and their understanding of the small and medium business as a major employer in the future;
   - the vocational education system develops a capacity to support the use of vocational skills in self employment alongside entrepreneurial skills;

- the higher education system in general and the management education systems in particular makes sufficient provision for developing the capability and competencies of graduates to enable them to move into small businesses and indeed create their own small companies.

4. In the *basic training system* there is a need to develop the competency and capability of the supply side in general and in particular its ability to:

   - identify and model the needs of SMEs at all stages of their development;
   - develop suitable training and materials and programmes capable of national dissemination;
   - develop standards of competency for trainers and advisers and ensure that, based upon these standards, there is national provision for the training of trainers and counsellors.

5. In developing *networks of support* there is a need to create stronger partnerships between stakeholders and in particular to:

   - ensure that the capacity of representative organisations and private sector associations to play a role in training is developed so that they take greater responsibility at the local, regional and national level;
   - ensure that central support is available (perhaps via a National Centre of Excellence) for development of a range of services to providers including: developing standards for trainers and counsellors; developing training the trainer programmes; undertaking needs analysis; developing problem and opportunity-centred programmes in key areas for national dissemination; developing support for marketing small business programmes; developing capacity for experience exchange; providing support for programme development, in particular in key industry sectors (for example tourism and agro business), reflecting national priorities; providing a channel for communication with foreign donors and the acquisition of foreign experience where relevant; and acting as a co-ordinator of foreign support;
   - ensure that programmes are in place for the development of key network stakeholders including: bankers; local and regional authority personnel; regulatory officials; and staff of development agencies and business associations concerned with organising SME training and education.

6. Overall, given the limited resources, there is a need to ensure that provision is developed in a way that it is sustainable once external resources have been removed.

   There is thus a need to identify key areas where on-going public support will be required or where public/private partnerships to underpin provision need to be created.

VII. RECOMMENDATIONS

1. It is recommended that the ETF focuses in 1998 on providing support for entrepreneurial training in the following areas:

   - The development of modular programmes of self employment suitable for adaptation and inclusion in all vocational training. This will ensure that every person who acquires a vocational skill will know how to use it for self employment.
   - The creation, alongside of VII.1. above, of programmes to develop the core entrepreneurial personal skills of creativity, problem solving, communication, initiative taking, decision making, negotiation, presenting and persuading.

2. The development and setting of standards for trainers and educators. This issue is of particular importance to the NIS in providing the basis for the development of an education and training infrastructure with a capacity to deal effectively with the growing number of small and medium enterprises.